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FY 2009 - 2012 Strategic Plan

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INTRODUCTION

With a projected weaker U.S. economy, Idaho's economic forecast is expected to see slower growth than in previous years. Idaho's real Gross State Product (GSP) is predicted to grow at a rate of 2.4 percent annually. Tourism continues to grow faster than the national average and indicators suggest continued growth although the pace is slowing to a predicted 5 percent. Real output does not grow consistently until first quarter 2009.

The Department believes it is imperative Idaho diversify the type and number of businesses to assure growth.

Because of the fluctuations of the economy, Idaho Department of Commerce will remain responsive to what's changing in the world and how we can capture the opportunities that change brings.

In order to accomplish our goals Idaho will need to keep business costs affordable and invest in attributes that foster leadership, an educated and technically skilled workforce, and public infrastructure facilities. These investments, coupled with a focused marketing effort, will position Idaho nationally as a place of economic opportunity and high quality of life.

This plan outlines the Idaho Department of Commerce's priorities and goals for promoting increased economic opportunity for all Idaho's citizens. The top priorities, goals, strategies, action items and measurements were formulated with input from our economic development partners, Idaho business leaders and the Department's advisory councils.

VISION

Idaho Department of Commerce, as the state's lead agency for job creation, building communities and marketing the state, envisions an Idaho that possesses:

- a diverse economy
- a globally competitive workforce
- state of the art public facilities
- progressive leadership
- a willingness to cultivate next generation technologies
- industries that care about Idaho's environment
- businesses that see Idaho as their home and the world as a marketplace

MISSION

CREATE JOBS, STRENGTHEN COMMUNITIES AND MARKET IDAHO.

CORE VALUES/GUIDING PRINCIPLES

Customer Focus - Internal and External

Customers are our top priority. We treat all customers as we wish to be treated. We strive to understand their needs and expectations and align Department services to meet those needs. We respond with timely, responsive, and flexible services. We strive to work cooperatively with all our customers. This includes businesses, local, state, tribal and federal government officials, as well as customers within our Department.

Creating a Positive Culture

We are creative, innovative and flexible. We make decisions based on knowledge and facts. We continuously seek to improve quality of service. We value teamwork. We encourage participative decision-making. We are responsive, efficient, effective and prompt. We are part of the solution.

Building Capacity

We value our employees. We give credit and share rewards. We cooperate and help others grow. We listen to our employees so we can understand their needs and communicate freely with them. We identify mutual benefits. We are an innovative, solution-oriented team. We provide our employees with the tools and training they need to do their jobs and provide quality customer service.

Ethical Conduct

We use public resources responsibly. We treat others with respect and dignity. We value and expect honesty and integrity. We are responsible and accountable for our actions.

PROGRAMS and SERVICES

Idaho Department of Commerce works to create jobs and advance the welfare and prosperity of its citizens, upgrade public facilities necessary for economic growth, and promote Idaho's products, people and places. Committed to ensuring access to a comprehensive menu of quality services, education, training and information for all its customers and partners, the agency offers many economic development programs through:

BUSINESS/ECONOMIC DEVELOPMENT SERVICES provide resources to help Idaho businesses start up, expand and find new markets; attract new businesses to Idaho; and fund local economic development efforts.

THE IDAHO OFFICE OF SCIENCE & TECHNOLOGY helps entrepreneurs create new businesses and job opportunities across the industry sector; bolsters industry-related research and development activities; and brings together the state's government, education, private sector and research resources to foster long-term growth in science and technology.

COMMUNITY AND RURAL DEVELOPMENT provides financial and technical assistance to Idaho's cities and counties for construction and rehabilitation of public facilities necessary to support economic diversification, job creation, business expansion and a sense of community.

INTERNATIONAL TRADE helps Idaho's businesses export goods and services, develops new markets, increases foreign awareness and acceptance of Idaho's products and services, attracts international investment and coordinates the state's protocol efforts.

TOURISM DEVELOPMENT works to expand Idaho's tourism and recreation industry by marketing the state's travel opportunities at home and abroad; distributing grants to communities to promote tourism; developing, soliciting and promoting tourism events and attractions; and developing the state's film industry.

MARKETING, COMMUNICATION AND RESEARCH works with all Commerce divisions to create targeted marketing plans, public relations campaigns, and positive image and branding programs for Idaho. This team gathers, maintains and disseminates economic and demographic data.

EXTERNAL FACTORS

Various factors occurring internationally, nationally and locally have the potential to significantly affect the Idaho Department of Commerce's ability to achieve the goals and objectives outlined in this plan.

THE ECONOMY

The national and international economies affect Idaho's overall business climate and export industries. Likewise, Idaho's economy is greatly affected by the value of commodity prices such as semiconductors, agricultural crops and minerals. Reductions in federal spending for agriculture, energy and public land management increase unemployment and impact small businesses dependent on federal contracting opportunities. State and federal funding levels affect the department's programs dependent on funding for staff resources, promotional activities and travel.

- **Workforce Availability.** Even with low unemployment rates, the churning in the economy will continue to cause disruption for Idaho's workers. Trained workers are critical to companies that wish to expand or relocate in today's competitive economic environment. Employers are becoming increasingly concerned with the lack of available workers to meet business needs. Idaho's ability to prepare workers with skills meeting the demands of today's employers will increase its ability to retain and attract quality companies and higher paying jobs.
- **Interest Rates** have a profound impact on the economy, business expansion and job creation. Higher rates slow economic expansion and make it more difficult for business to obtain financing for expansion.
- **Currency Values**, especially the value of the American dollar relative to other currencies, affect volume and direction of international trade flow as well as the number of international visitors. A weaker dollar relative to foreign currencies makes Idaho's products, services and travel opportunities more affordable to foreign buyers.
- **International Trade/Factors** affect export sales. Trade agreements such as the North American Free Trade Agreement and the General Agreement on Tariffs and Trade provide both opportunities and challenges for companies opening new markets in Idaho, increasing competition on a worldwide basis. International health issues such as avian flu may impact the willingness of Idaho's companies to travel and conduct business in international markets. They also can affect the ability of international companies, their employees and foreign visitors to travel and conduct business in Idaho.
- **Energy Costs** affect the cost of doing business in Idaho. The availability of power, impediments to development of alternative power generation and drought can impact all sectors of Idaho's economy.
- **Availability of and Access to Health Care and Health Insurance** is a critical need in much of Idaho, especially in rural areas of the state.
- **Availability of and Access to Affordable Housing**, like health care, is also a critical need throughout much of the state and can impact prospective company recruiting efforts.
- **Federal, State and Local Taxes and Regulations** affect all business and community development activities. Stable, equitable tax systems and a fair and predictable regulatory environment make Idaho more competitive in business recruitment and expansion activities.
- **Public Land Management Policies** can affect the growth and profitability of Idaho's agriculture, forest products, mining, and outdoor recreation industries.
- **War/Terrorist Attacks.** Responses to these factors impact attitudes regarding business development and expansion as well as business and leisure travel decisions.

LEGISLATIVE ENVIRONMENT

Through the commitment of the Idaho Legislature, several business incentives and tax credits have proven beneficial to the Department in recruitment and expansion efforts. In addition, the Business and Jobs Development Fund allocates funds to use for costs associated with the recruitment of companies to Idaho. The Strengthening Idaho Act of 2006 authorized Idaho Department of Commerce to administer several legislative projects designed to enhance economic and workforce development opportunities, especially in rural communities in the state. The Rural Community Growth Management Initiative helps communities acquire qualified planning assistance to help facilitate the implementation of growth management strategies.

THE CHALLENGE

Idaho Department of Commerce must address these challenges to meet the growing needs and expectations of its customers in an environment of dwindling resources. Despite the decline in funding, other external factors, and workplace realities, Commerce is committed to:

- Create “customer-driven” systems and services to meet the needs of Idaho’s businesses and their employees.
- Align department priorities, staff support and training with customer demands.
- Empower department employees to meet customer demands by design changes.
- Streamline processes to better meet customer demands.
- Eliminate obsolete processes and unfunded programs.
- Optimize the use and flexibility of available resources in accordance with customer demands.
- Work with other state agencies, higher education, employers and our other service partners to maximize the return on the public investment in the programs and services we provide.
- Combine resources and facilitate customer access to these services by partnering with employment and training system stakeholders.

Idaho Department of Commerce Top Priorities

- ❖ Business Retention and Expansion
- ❖ Business Recruitment
- ❖ Entrepreneurial Development
- ❖ Community Development
- ❖ International Business Development
- ❖ Tourism Development
- ❖ Applied Innovation
- ❖ Marketing and Promotion
- ❖ Management Support

Business Retention and Expansion

Business retention and expansion strategies are important to any size community, even the very smallest. The responsibility for a business visitation program rests with the local community and many requests for assistance come directly from the communities or the businesses themselves.

GOAL 1: Assist communities or businesses with business retention and expansion strategy requests.

Strategy: Determine existing business needs, identify resources available and facilitate assistance.

Action: Gathering market intelligence provides insight into each company’s growth potential, value to the community, risk of leaving/downsizing, as well as overall satisfaction in the community. Collection of data will be accomplished through department staff field work, contact with communities, businesses directly and utilizing our service partners in each state region.

Measurement: Contacts and one-on-one consultations are measured by the number of businesses contacting the Department and businesses called upon while traveling in the field. These will be tracked through the use of trip reports, referrals made to other agencies/organizations and through the use of a customer relationship management (CRM) database.

Strategy: Identify clusters and ask existing businesses what complementary businesses they need to be successful - then launch a targeted recruiting campaign, if feasible.

Action: Targeted marketing efforts enable the Department to focus on working with existing businesses in growing industry clusters and determining their needs for sustained growth and diversification potential. This is a highly focused effort of identifying companies, contacting them by phone and in person, and generally administered by Economic Development staff.

Measurement: Contacts will be tracked through the use of trip reports and use of a CRM database.

Strategy: Introduce Idaho businesses to new markets through government contracting and international trade opportunities.

Action: Government contracting is accomplished through the utilization of the Department's Idaho Business Network (IBN) where Idaho companies can receive federal government business contract bidding opportunities. International trade opportunities are discovered through one-on-one consultation with companies or as a result of communities or companies contacting the Department directly.

Measurement: IBN success is measured by the number of government contracting workshops held and the number/dollar amount of actual government contracts awarded to Idaho companies. International trade opportunities will be tracked using a CRM data base.

Strategy: Market the availability of tax-exempt industrial revenue bonds, educate businesses on their benefits and authorize bond allocation on approved projects.

Action: Industrial revenue bonds are marketed by field staff, partner organizations such as TechHelp, bond underwriters and the Idaho Housing and Finance Association.

Measurement: The success of the industrial revenue bond program is measured by the dollar amount of allocation authorized and the number of jobs created.

Strategy: Identify and assess the export readiness of Idaho companies and assist them in international trade.

Assist companies engaged in international trade through targeted trade missions, shows and events.

Utilize international trade offices in China, Mexico, Taiwan, Korea, India, Japan, the United Kingdom, Germany, Italy, France, Belgium and Scandinavia to connect Idaho companies with international trade and tourism opportunities.

Action: Efforts consist of one-on-one consultation and referral by Department of Commerce staff.

Produce and distribute promotional materials announcing trade missions and trade shows to educate and build awareness of forthcoming opportunities.

Measurement: Success is measured by tracking referrals to the Division of International Business Development and through use of a CRM database.

Strategy: Support business expansion through use of the Workforce Development Training Fund and assist qualified companies in its use.

Action: Workforce development training requirements are determined by one-on-one consultation, referral by a community or direct contact with a company.

Measurement: Workforce development training will be measured by tracking the number of contracts awarded, the dollar amount of those contracts, and the number of individuals hired as a result of the training.

Strategy: Recruit needed skilled workforce.

Action: Workforce recruitment, while not currently implemented, would be a joint effort with the Idaho Department of Labor and local communities, focused on bringing needed workers to the state, for existing companies looking to expand or relocate a business to Idaho.

Measurement: The success of these efforts would be measured by tracking the number of contacts made and the number of individuals relocating to work for Idaho companies.

Business Recruitment

Maintaining a stable and vibrant economy involves retaining and expanding existing business and bringing in dollars to replace business revenues lost out of the marketplace. While every division at Commerce plays a role in Idaho's economy, our mission is to provide consultative services to companies with expressed interest in relocating or expanding their business to Idaho thus increasing diverse investment and enhancing the quality of employment for the state.

GOAL 1: The long term goal is to increase the personal wealth of Idaho citizens.

Strategy: Create new jobs in the state that on average meet or exceed Idaho's median wage.

Action: The business recruitment team will provide superior service to all incoming demand leads interested in an Idaho business location.

All leads, regardless of wages and benefits, will be referred to our local economic development professionals.

Commerce will not screen businesses as to their wage and benefits but will allow the local receiving economies to qualify them for their area.

Commerce will only recruit and stimulate incoming demand for companies that fall in line with the overall goal of meeting or expanding the median wage.

Commerce will use available incentives to attract/retain businesses.

Measurement: Track Idaho's statewide median wage currently at \$13.47 per hour or \$28,018 annual wage; Source: Idaho Occupational Employment and Wage Survey Report 2007. Each year, projected wages from newly recruited jobs will be calculated and compared to the median wage of that time period. In turn, those median wages will be tracked overall by year, looking for upward trends in personal wealth.

GOAL 2: **Support and enable existing economic development, international and business relocation groups to maximize efficiency and improve their success through fine-tuning their efforts.**

Strategy: Provide accurate and current Idaho market data.

Action: Invest in professional market research to define Idaho's place in the national and international market and how it relates to other states and industry climates. Once completed, use research to formalize and develop incoming demand and initiated sales plans.

Work with local ED organizations to share data and to fine tune their efforts.

Coordinate sales plans with marketing plans and execute plans.

Measurement: Short term: include measurement requirement in research package to measure increase or decrease in valid leads. Increase or decrease in closed sales and quality of leads, improved average wage and benefits.

Long term: Look to previously measured wage growth chart, net firm creation, job growth and per capita income.

GOAL 3: **Create a world class business consultation group.**

Strategy: The Commerce business recruitment team and our local economic development partners represent Idaho's first impression for prospective businesses. Long term recruitment success depends on the first handshake, questions answered or contact made. Expect excellence in our first impression.

Action: Hire the best. Train the best. Provide them tools to do their job.

Continue to strengthen partnerships with local economic development personnel.

Measurement: Track Gross State Product (GSP) and median wages for overall success and improvement. Develop a baseline and then track leads, land submitted, site visits, and closed sales by regions to look for areas of success or improvement.

GOAL 4: **Contribute to the overall state goal to increase GSP to \$60 billion.**

Strategy: Focus and incent projects with high capital expenditures and multiplier effects.

Identify and recruit industry clusters that will complement existing clusters in Idaho.

Action: 90 percent of day-to-day activities of the group are focused on the recruitment of business and associated revenues to the state. Continue to meet or exceed recruitment goals to contribute to objective.

Measurement: Establish baseline and track capital expenditure and payroll of all recruited business.
Develop a long term tracking procedure to target/view new revenue entry to economy.

Entrepreneurial Development

The Idaho Department of Commerce encourages and supports entrepreneurs because they have the creative potential to contribute to our quality of life. They are often people with energy and vision to build better communities.

GOAL 1: Provide assistance to individual entrepreneurs as well as bolster a community's ability to support and encourage the development of entrepreneurs.

Strategy: In collaboration with Idaho Universities, INL and other services providers, make available information and technical assistance to those interested in starting a business in Idaho.

Action: Make referrals to TechHelp, TechConnect, Small Business Development Council, Small Business Administration and other service providers for assistance, as appropriate.

Collaborate with other service providers to provide for the delivery of available resources and technical assistance to new entrepreneurs wanting to start a business, many for the first time.

Annually update, publish and have available online the "Starting a Business in Idaho" brochure.

Measurement: Track the number of referrals and brochure requests made through CRM.

Track number of forums or workshops held and number of entrepreneurs attending those events.

Strategy: Identify financing opportunities in the state and expand availability of capital.

Action: Update and publish for distribution the "Sources of Capital" brochure and make available in electronic format. Keep staff trained in available financing options to businesses.

Use international offices to identify offshore venture capital sources through international investor events.

Create an international investors fund through the EB-5 Immigrant Investor Program.

Connect Northwest angel investor organizations with high growth businesses as alternative financing sources.

Measurement: Track the number of brochures that are printed, distributed and consumed.

Track the number of contacts for financial assistance made through use of CRM database.

Track the number of international events held and potential investors interested in investing in Idaho.

Track the number of investors investing in Idaho.

Track the number of contacts made, referred and financing secured, who needed funding.

Strategy: Help companies identify new market opportunities.

Action: Promote Idaho Business Network.

Promote International Trade Export Assistance and other opportunities for business development.

Identify emerging industry cluster and match to businesses with expansion and/or diversification potential.

Measurement: Track new IBN client activity by the 1806 Report to U.S. Department of Defense. Staff contacts made as registered with CRM database.

Strategy: Support entrepreneurial development through education, workforce training and economic development programs.

Action: Commerce staff working one-on-one with business clients, communities and economic development professionals.

Measurement: Track contacts through use of CRM program.

Strategy: Ensure an excellent business climate for business recruitment, retention and entrepreneurial activity.

Action: Inventory communities with human and financial infrastructure in place to nurture entrepreneurial activity.

Assess communities for their openness to entrepreneurial activity, as well as their willingness to invest in supporting and developing entrepreneurs.

Collaborate with existing service providers (e.g. SBDC, TechHelp, etc.) to develop and implement entrepreneurial support programs and workshops.

Measurement: Measure and assess community readiness using a “Rural Community Entrepreneurship Survey.”

Track service provider assistance through the number of contacts made, workshops executed and by the use of a CRM database.

Community Development

The community development staff assists Idaho communities in economic expansion, job creation, building communities and marketing the state.

GOAL 1: **Preserve and enhance suitable living environments.**

Strategy: Improve safety and livability of communities, to bring infrastructure or facilities into compliance with environmental laws or building codes.

Action: Administer and manage HUD's (Community Development Block Grant) CDBG program.

Maintain focus of Community Development Block Grants on infrastructure improvements grants.

Coordinate with other state and federal funding agencies.

Assist communities identify multiple sources of funding for their community enhancement projects.

Measurement: Track the number of systems brought into compliance. (3 systems)

Track the number of residents benefiting. (10,000 residents)

Track other money leveraged. (Three to one ratio)

Track timeliness. (100 percent obligation of CDBG within 15 months)

Track unspent ratio. (Below 2.5 for CDBG)

Track expended rate. (Above 1.0 for CDBG)

Strategy: Improve affordability and sustainability of suitable living environments and to build new or rehabilitate existing public infrastructure and/or facilities.

Action: Administer and manage HUD's CDBG program.

Maintain focus of CDBG on infrastructure improvements grants.

Measurement: Track the number of residents benefiting. (10,000 residents)

Track other funds leveraged. (Three to one)

Track timeliness. (100 percent obligation of CDBG within 15 months)

Track unspent ratio. (Below 2.5 for CDBG)

Track expend rate. (Above 1.0 for CDBG)

GOAL 2: **Expand sustainable economic opportunities.**

Strategy: Help businesses create jobs.

Action: Administer and manage HUD's CDBG and the state's RCBG, GEM and Director's Fund.

Maintain focus of grants on public infrastructure and industrial park properties or buildings.

Measurement: Track the number of jobs created. (200 FTE's annually)

Track the number of private investments. (3 to 1 annually)

Track the average job multiplier of created jobs. (Above 1.5 annually)

Strategy: Revitalize Downtown Business Districts.

Action: Administer and manage HUD's CDBG program.

Maintain focus of block grant on public infrastructure with downtown set-aside.

Cooperate with other states and federal funding agencies.

Leverage local investment, i.e., business improvement districts, local improvements, urban renewals.

Measurement: Track the increase in business sales and customer visits and the number of residents benefitting.

GOAL 3: **Increase community capacity and leadership skills to address community needs and issues through education, technical assistance and financing.**

Strategy: Promote effective partnerships with other service providers to deliver more effective and efficient services to communities.

Action: Work in partnership with service providers to provide assistance to communities on request.

Measurement: Track the number of service providers actively participating in the program and the benefits communities have received.

Track the number of communities assisted.

Action: Administer and manage Growth Management Planning Grant program.

Manage and market the Northwest Community Development Institute (NWCDI).

Provide economic and community development training through the NWCDI and other programs.

Design and manage a GEM Community program that is based on specific community requests for assistance.

Measurement: Track the number of communities receiving planning grants and how they have benefited from these grants.

Track the number of Idaho participants attending NWCDI and evaluation responses.

Track the number of formal trainings provided.

Track the number of attendees and benefits received from evaluations.

Track the number of communities benefiting from the Gem Program.

Strategy: Request support from the Idaho Legislature and continue to fund Rural Professionals Program.

Action: Administer and manage Rural Professionals Program providing full-time, paid Economic Development Professionals working in rural Idaho.

Measurement: Track the number of Programs Funded.

Track the number of projects completed as measured by the ED Professional periodic reports to the Department.

International Business Development

In 2007, Idaho exports were valued at \$4.7 billion, approximately 10 percent of Idaho total state gross domestic product. Growth in exports and diversification of our exportable product base will help increase Idaho's GSP and hedge against periodic downturns in the domestic economy. Export-related jobs pay, on average, 13-18 percent more than non-export-related jobs. Many of Idaho's top employers rely heavily on exports jobs.

GOAL 1: Create and attract sustainable, high-paying jobs resulting from increased exports of Idaho products and services to global markets and increased international direct investment.

Strategy: Organize Governor-led trade missions to targeted markets of opportunity for Idaho companies.

Action: Organize two to three missions.

Recruit 12-15 companies to participate in each mission.

Facilitate direct sales of \$5 million dollars for Idaho companies participating in the missions.

Measurement: Track the number of participating companies in department CRM program.

Track the amount of sales tracked in post-mission surveys and tracked in CRM.

Strategy: Participate in industry trade shows in targeted markets of opportunity.

Action: Organize Idaho pavilions at 3 international shows.

Recruit 10 Idaho companies to participate in Idaho pavilions at the trade shows.

Pre-qualify 25 leads for participating companies at each of the shows.

Establish 3-5 new distribution channel partners for Idaho companies in targeted markets.

Achieve sales of \$3 million as a direct result of the shows.

Measurement: Track the number of participating companies through CRM.

Track the number of documented leads entered into CRM.

Track the amount of sales from post-event customer surveys through CRM.

Strategy: Market Idaho as a competitive location for international direct investment. International direct investment is an increasingly important tool in creating new jobs in Idaho and helping diversify Idaho's industrial base. Currently, more than 12,000 Idaho jobs are a direct result of international investment.

Action: Attend at least one investment fair in Taiwan, China and Mexico.

Organize an Idaho investment showcase as part of the Invest-USA promotion.

Market Idaho investment opportunities through the EB-5 immigrant investor program.

Measurement: Pre-qualify at least 3 investment leads per show

Track the number of media placements as a result of the promotion through CRM.

Qualify at least 10 EB-5 investors with a net investment of \$5 million.

Tourism Development

Building Idaho's economy by increasing visitor expenditures throughout the state is the goal of Idaho Department of Commerce's Tourism Development Division. The division's activities are funded by a 2 percent lodging tax, paid by travelers and collected by the state's hotel, motel and private campground owners.

45 percent of the funds are used for statewide marketing programs. Another 45 percent is distributed to non-profit local and regional tourism development organizations through the Idaho Regional Travel and Convention Grant Program. The remaining 10 percent is used for administration of the division.

Primary focus is on building the lodging and camping base as well as those events and recreational activities that cause overnight visitation.

GOAL 1: Grow and sustain tourism products and infrastructure.

Strategy: Leverage funds from the private sector and public agencies to stretch the budget.

Action: Budget based on the revenue the lodging tax is expected to generate and effectively implement and manage that budget to obtain the largest return on our investment.

Measurement: Complete the fiscal year with a balanced budget that supports our marketing efforts.

Track a 2 percent growth in tourism products and infrastructure revenues.

Strategy: Assist hotel and resort developers in making sound decisions to invest in Idaho.

Action: Identify and disseminate likely funding sources for viable projects.

Match hotel developers with cities, planned communities and landowners seeking hotel and/or resort development.

Attend Lodging Investment Summits.

Measurement: Track the number of developers and marketing research firms utilizing our technical assistance.

GOAL 2: Disburse grant monies to viable non-profit tourism promotion organizations.

Strategy: Champion the Idaho Tourism Grant Program and clearly define eligibility and funding goals.

Action: Update and clarify the Administrative Rules and Grant Guidelines to facilitate compliance and encourage participation.

Measurement: Track approval by users, Idaho Travel Council members and the Legislature for 100 percent customer satisfaction of usability and accountability.

Action: Identify and implement online grant management software to facilitate the application for grants and the tracking of reimbursement requests.

Measurement: Track grant management through CRM program.

GOAL 3: Identify and successfully market Idaho to potential visitors of value.

Strategy: Invest in regularly compiled research to identify who the Idaho traveler is and where the most likely traveler of value will originate. Research will be presented at the Governor's Conference on Tourism and the Idaho Restaurant and Lodging Association annual meetings as well as posted on the tourism.idaho.gov website.

Measurement: Track planning and development with research, which be used as a baseline measurement.

Track utilization of the research by constituents through CRM.

Strategy: Advertise Idaho's tourism attractions and scenic beauty in key domestic markets.

Action: Work with advertising agency to effectively target appropriate audiences. Provide easy access of information on Idaho's tourism product via all viable marketing means, including print, online, radio, television and public relations activities.

Establish a media buying plan that maintains balance between media, seasons and regional/national/international reach, with emphasis on the 11 western states.

Measurement: Track responses to advertising through the web visitors (page views and unique), reader response cards, phone calls and emails requesting more information from the fulfillment house and number of brochures distributed.

Strategy: Create and distribute the Official Idaho Travel Guide electronically and other brochures in print.

Action: Export data from updateidaho.com and produce a glossy 152 page travel guide.

Measurement: Track the timely dissemination of 140,000 state travel guides.

GOAL 4: **Maintain and enhance a cutting edge, interactive website for travel consumers. (Constituent website goal is covered in Marketing and Promotion section.)**

Strategy: Work with advertising agency to enhance the existing website architecture.

Action: Continually update the website with new information to keep our pages fresh.

Enhance updateidaho.com to accommodate new initiatives such as “Geotourism,” “Voluntourism” and “Kids in Nature.”

Educate Idaho suppliers to avail themselves of the free updateidaho.com tool to keep their information comprehensive and up to the minute as well as post their package deals.

Link up with social media channels to showcase Idaho on sites such as “Tripadvisor,” “U-Tube” and “Twitter.”

Regularly solicit updates from tourism suppliers so that information is as up-to-date as possible.

Measurement: Track the number of page views, downloads and time spent viewing on our web site as well as monitor and respond to customer feedback.

Track the number of support of initiative adoptions by partnering agencies and consumer interest.

Use web analysis to determine if social networking is driving increased visitation to the website.

GOAL 5: **Market Idaho tourism internationally.**

Strategy: Collaborate with Montana, Wyoming and South Dakota in the marketing consortium of Rocky Mountain International (RMI).

Action: Continue with efforts led by RMI, including expansion of interest and participation in the Scandinavian and Australian markets, in addition to the traditional European theatre.

Measurement: Implement the Visa travel-permit tracking program offered through the Travel Industry of America to verify we are in lucrative and viable markets for Idaho.

RMI provides an annual report which includes the percentage growth in tour product offered in our target markets.

Strategy: Work with Idaho Trade Offices and the US Commercial Service.

Action: Work with the Idaho office of the US Commercial Service to remain current on opportunities they offer, particularly using their network to spread information about Idaho.

Invite US Commercial Services and Idaho Trade Officers to explore Idaho from a tourist standpoint, as we did with Australia and Singapore when they were already visiting the United States for trade shows. Nurture the relationship and capitalize on opportunities to host travel writers and photojournalists who will come to the state to increase exposure, as well as other appropriate opportunities.

Measurement: Track leads and press clippings through CRM. Increased knowledge and awareness of Idaho should translate into increased leads and media coverage by the overseas offices.

Track international spending through the Visa program. It will provide a base for us to compare trends and spending patterns, thus identifying the best US Commercial Service Offices with which to collaborate.

GOAL 6: Promote Idaho as a location for film productions and commercials.

Strategy: Solicit film and commercial television projects to be filmed in Idaho.

Action: Market Idaho at annual trade shows and expos.

Maintain an Idaho presence at various film festivals such as Sundance.

Work with the Legislature to create a more film-friendly environment and establish incentives.

Work with communities to upgrade their ability to understand and work with it the film industry.

Provide continuing education workshops for Idaho film industry workers.

Support in-state film festivals which hold workshops and bring in filmmakers that would not otherwise visit Idaho.

Measurement: Track the economic impact of each project using Reel-Scout tracking software.

GOAL 7: Sell the Idaho tourism products. The Tourism staff is a sales team, constantly learning about and sharing their knowledge of viable tourism products with consumers and intermediaries who can promote and sell Idaho to their clients.

Strategy: Provide Idaho products for intermediaries to market and sell that will attract travelers to Idaho.

Distribute/share tourism promotion leads with communities, tourism businesses and nonprofit organizations.

Action: Attend tourism industry trade and consumer shows in key domestic and international markets.

Provide the means for industry suppliers to purchase leads at cost for labor and from the tourism industry web site.

Measurement: Quantify lead generation and dissemination to Idaho suppliers.

GOAL 8: Solicit, attract and promote tourism events to and in Idaho not only for visitation but for more visibility nationally and internationally.

Strategy: Include most high-profile events in Official Idaho Travel Guide and include all events with tourism potential on the tourism consumer web site.

Earmark promotional assistance funds for marquee events.

Action: Attend Travel Events and Management in Sports (TEAMS) trade show.

Offer promotional assistance for qualified events.

Establish guidelines and funding limits for events seeking promotional assistance.

Measurement: Track the lead generation and dissemination to Idaho suppliers.

Require a report from sponsored events regarding economic impact.

Applied Innovation

Innovation is essential for Idaho's future success and the economic development of all its industries. As such, it is a common thread that is woven throughout the mission of the Department of Commerce. There are two aspects to innovation's impact on Idaho's economy - the application of technology for improved profitability, efficiency, and competitiveness of *all* Idaho industries; and the specific expansion and diversification of Idaho's technology product and service producing companies. Both aspects are critical to economic success in Idaho, and both are capital intensive that will require significant private and public investment.

GOAL 1: Establish and administer an Idaho Innovation Council to advise state leaders on developments and opportunities relative to commercial innovation - with regard to both application of technology and technology industry development.

Strategy: Recommend an executive order renaming both the Science & Technology Advisory Council (STAC) and the Office of Science & Technology (OST), and delineating the organizational structure of the new "Innovation Council."

Action: Draft an executive order for the governor's approval by July 1, 2008, renaming the STAC the "Idaho Innovation Council," and renaming the OST the "Commercial Innovation Division." The order should also redefine the composition of the Innovation Council and the terms of its members, clearly define their duties and limitations, and define the role of Commerce's Commercial Innovation Division in advising and administering the council.

Work with the governor's office to identify appropriate members and alternates of the Idaho Innovation Council and invite their participation by August 1, 2008. Assemble and orient the appointees for their first meeting by September 1, 2008.

Administer meetings of the Innovation Council and advise and assist them on the history of Idaho innovation development, election of their leadership, the governmental process, creation of task forces and subcommittees, and the formulation and delivery of their recommendations.

Measurement: Track the number of recommendations submitted to the Director of Commerce and other Idaho leaders. Target: 8 per year. Baseline: 8 per year.

Track the number of recommendations accepted by the Director and other Idaho leaders. Target: 4 per year. Baseline: 0.

Track attributed impact of Innovation Council recommendations and actions on Commerce applied innovation goals and strategies. Target: Consistent, identifiable and attributable contributions. Baseline: Insignificant impact.

GOAL 2: **Expand and improve the economy of all Idaho industries through the application of technology.**

Strategy: Expand and accelerate the proliferation of high-bandwidth (100MBPS or higher) broadband communication services.

Action: Participate in and assist with funding of the Idaho Research Optical Network (IRON) and establish Commerce as an anchor tenant by July 1, 2009.

Form task force of regional economic development organizations and community leaders by October 1, 2008, to identify broadband communication needs and aggregate demand for services. Encourage the application of rural and community grants for broadband infrastructure projects.

Present aggregated demand for broadband services to telecom service providers by June 1, 2009. Identify and prioritize infrastructure development projects.

Assemble task force comprised of broadband-proficient experts from various industries to develop and implement an education campaign that highlights the benefits available to businesses through high-bandwidth communication services.

Strategy: Expand the implementation of various applications that capitalize on broadband communication networks.

Action: Develop and maintain, through departmental education, Commerce institutional knowledge about technology products and services and their use specific to various industries.

Work with business leaders in all industry sectors, either directly or indirectly, to identify their needs and explore potential technology solutions for addressing them.

Model the use of efficient and effective business technology solutions and maintain a perception of technical proficiency in the public eye.

- Strategy:** Develop solutions, through coordination with industry, for Idaho's electrical and transportation energy challenges.
- Action:** Participate with various transportation and electrical energy stakeholder groups to determine the commercial energy needs of all Idaho industries and the role Commerce should play in addressing those needs. Prepare a report to that effect by January 1, 2009.
- Assemble a task force by February 1, 2009, to develop and implement a strategy for increasing Idaho's production of transportation energy resources.
- Assemble a task force by February 1, 2009 to develop and implement a strategy for increasing Idaho's production and availability of electrical energy resources.
- Continually assist and support the expansion, start-up and recruitment of alternative, renewable and nuclear energy companies.
- Measurement:** Track the statewide number of 100MBPS or higher customers (Source: Broadband Service Providers). Target: 50 percent penetration of commercial market by December 31, 2010; Baseline: 1 percent commercial market penetration.
- Track the annual Idaho information industry GSP (Source: U.S. Bureau of Labor Statistics). Target: \$3 billion annually by June 30, 2010; Baseline: \$1.1 billion in 2006.
- Track percentage of Idaho energy resources produced in Idaho (Source: Idaho Office of Energy Resources). Target: 15 percent by December 31, 2014; Baseline: 5 percent in 2007.
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GOAL 3: **Expand and diversify Idaho's technology sector industries.**

- Strategy:** Match Idaho technology product and service providers.
- Action:** Continually update and maintain the Idaho Technology Industry Directory and use it to identify companies.
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- Strategy:** Expand availability and access to capital.
- Action:** Assist with increasing the membership of Idaho angel investment and venture capital groups.
- Establish and recruit additional angel investment and venture capital groups.
- Formalize an Idaho EB-5 immigrant investor visa program. Pursue the creation of at least one private EB-5 regional center.
- Administer federal funding and procurement assistance programs (like the Grant Proposal Incentive program and the Idaho Business Network) to expand business access to federal funding.
- Expand access to and availability of municipal and industrial revenue bonds and other forms of debt financing.
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- Strategy:** Optimize Commerce's Top-to-Top (T2T) strategy for recruitment of new companies and workforce, and marketing of Idaho's existing companies, both globally and internally.

Action: Invite participation by industry executives in Idaho's T2T program with formal roll-out by August 1, 2008.

Implement focused T2T program relative to software industry workforce challenges.

Implement focused T2T program relative to power and energy industries.

Strategy: Expand Idaho TechConnect's reach in their role in the centralized, statewide administration of tech-transfer and commercialization services.

Action: Facilitate partnership between Idaho's universities, the Idaho National Laboratory, industry, entrepreneurs and the Idaho TechConnect organization to develop and implement a strategy for statewide coordination of tech-transfer and commercialization. Implement recommended strategy by June 1, 2009.

Partner with Idaho TechConnect to match businesses and entrepreneurs with university and national laboratory technology.

Continue to support and sponsor events that educate, network, assist, and recognize achievement in entrepreneurship and new firm formation.

Measurement: Track Idaho's statewide average annual wage (Source: U.S. Bureau of Labor Statistics) Target: Ranked 30th nationally by December 31, 2010. Baseline: Ranked 39th in 2007.

Track Idaho's GSP (Source: U.S. Bureau of Economic Analysis) Target: Ranked 44th by December 31, 2010. Baseline: Ranked 48th in 2007.

Track the number of Idaho angel investment groups. Target: 6 by December 31, 2010. Baseline: 1.

Track the number of venture capital firms actively investing in Idaho (3 investments per year) Target: 4 by December 31, 2010. Baseline: 3.

Track the number of annual Idaho SBIR award winners. Target: 20 by December 31, 2009. Baseline: 12 in 2006.

Track the number of annual licensed technologies commercialized out of national laboratory and universities (Source: INL, ISU, U of I, and BSU). Target: 25 per year. Baseline: Unknown.

Marketing and Promotion

Marketing is selling. Information alone isn't enough. We need to sell to the world and that means not only communicating facts and figures it means communicating benefits. It means creating emotional appeal and motivating action on the part of the prospect. Marketing campaigns are especially important in times of economic slow downs.

GOAL 1: Raise awareness of Idaho's attributes globally, nationally and locally.

Strategy: Implement a consistent message, look and feel in all Commerce communication and marketing materials.

Engage in public-private partnerships to market Idaho.

Raise national and international awareness of Idaho through visits to targeted media, feature articles and media coverage in print, radio, television and the internet.

Action:

Keep website fresh; on the cutting edge.

Create an editorial calendar/pitch stories.

Conduct one to two media blitzes in key markets.

Conduct statewide media visits.

Advertise in appropriate media.

Use of VOCUS e-mail campaigns, which addresses functions of public relations for media relations, news distribution and news monitoring, and public relations web to deliver key messages.

Create business photo database.

Develop joint marketing opportunities with partners.

Host one to two webinars.

Publish a quarterly legislative newsletter

Measurement: Complete unified look and read of all promotional materials.

Track the number of hits and downloads from our web site.

Track the number of stories pitched and printed by global, national and regional media.

Track the number of articles and newsletters written and published.

GOAL 2: Increase awareness of, and access to, the Idaho Department of Commerce's information and services.

Strategy:

Share state research and marketing strategies with all private sector companies, tourism interests and economic development organizations interested in promoting Idaho.

Conduct a business market research study to support and enable existing economic development, international and business relocation groups to maximize efficiency and improve their success through fine-tuning their sales efforts with valid data.

Action:

Engage our advertising agency to do business market research in the same fashion that they have done tourism market research.

Use that research to formalize and develop incoming demand and initiated sales plans.

Coordinate sales plans with marketing plans.

Work with local ED organizations to share data and to fine tune their efforts.

Measurement: Track the number of marketing campaigns created and executed that assisted in the success of all Commerce divisions.

Management Support

To assist the department and its operational divisions in meeting their overall mission and goals, management support provides key fiscal, human resource, information technology and administrative services. They develop policy and procedures that are in compliance with state statutes and federal regulations. They provide management with the information necessary to make sound financial decisions. They recognize the need to hire and retain qualified employees and they provide the necessary tools for the employees to be successful in their jobs with the limited financial resources available. Management recognizes that the Department of Commerce needs to be the “employer of first choice” and not “the employer of last resort.”

GOAL 1: **Manage the Department of Commerce efficiently and effectively.**

Strategy: Prepare, administer and account for the department budget.

Action: Prepare accurate financial reports.

Ensure the department has a clean financial audit.

Prepare the policy and procedures manual.

Measurement: Reports prepared in a timely manner.

Maintain zero audit exceptions.

Policy and procedures manual made available.

GOAL 2: **Provide personnel services.**

Strategy: Make the department the “employer of first choice.”

Action: Recruit and retain the best qualified staff.

Require training in supervision, performance evaluation and leadership.

Promote and provide internal and external training opportunities including career development and promotional opportunities as well as establishing a new employee orientation program.

Continue to build on the internship program.

Build competitive salaries when developing recommendations for state employee compensation.

Provide alternatives to compensation, including implementation of flex schedules and flex place.

Measurement: Track the number of eligible applicants.

Track the number of employees leaving the department for various reasons.

Track the number of training opportunities provided.

Track the number of participants in various trainings.

Track the number of employees promoted.

Track the percentage increase of employees' compensation in relation to policy.

Track the number of employees who participate in flex schedules or flex place.

GOAL 3: Provide information technology (IT) services.

Strategy: Provide the necessary tools and assistance for the employees to be successful in their jobs with the limited financial resources available.

Action: Develop and implement a long-term plan for information technology.

Provide access to and training in the use of information technology systems.

Request funds to improve and update the department's IT equipment.

Develop an intranet system for employees.

Provide remote access capabilities to employees.

Implement a CRM tool.

Research the use of video conferencing technology.

Measurement: Submit an IT plan to Department of Administration annually.

Track the number of employees trained on IT systems.

Track the amount of funds appropriated for IT equipment by JFAC.

Track the amount of information on intranet system.

Track the number of employees utilizing remote access and CRM.

Track the amount of travel funds saved due to utilization of video conferencing.